

Harbour Energy plc
("Harbour")
Trading and Operations Update
7 November 2024

Harbour Energy today provides the following unaudited Trading and Operations Update for the nine months to 30 September 2024.

Actuals to 30 September 2024 reflect the completion of the Wintershall Dea acquisition on 3 September 2024 and include approximately one month's contribution from the acquired portfolio. 2024 guidance includes approximately four months' contribution from the Wintershall Dea portfolio.

Operational highlights

- Transformational Wintershall Dea portfolio acquisition completed ahead of schedule; integration progressing as planned
- A continued focus on safety with a total recordable injury rate of 0.96 per million hours worked (2023: 0.89)
- Average production of 177 thousand barrels of oil equivalent per day (kboepd) to end September (2023: 189 kboepd). Full year 2024 guidance narrowed upwards to 255-265 kboepd (250-265 kboepd previously)
 - Production start-up from the Fenix gas project (Argentina) in September, ahead of plan
 - New wells on-stream in Q3, including at Njord (Norway), Armada (UK) and Greater Britannia Area (UK)
 - October production averaged 503 kboepd following completion of Norway and UK planned maintenance shutdowns
- Operating costs averaged \$19.5/barrel of oil equivalent (boe) for the period (2023: \$16/boe). 2024 guidance of \$16-17/boe is reiterated, reflecting the addition of the lower cost Wintershall Dea portfolio and expected higher production in Q4
- High return, short cycle investments on track, including Talbot (UK) first oil anticipated around year end, Maria Phase 2 (Norway) production start-up expected in 2025, and a multi-pad drilling campaign underway at APE Vaca Muerta (Argentina)
- Growth opportunities advanced, underpinning future reserves replacement and portfolio longevity
 - **Norway:** Successful appraisal of the Storjo gas discovery and appraisal drilling underway at the Harbour-operated Sabina discovery, both potential subsea tie-backs to the Skarv FPSO
 - **UK:** Oil discovery at Gilderoy, close to Harbour-operated Greater Britannia infrastructure
 - **Mexico:** Zama FEED progressing; appraisal drilling ongoing at Harbour-operated Kan discovery
 - **Indonesia:** Multi-well exploration and appraisal campaign completed at Andaman, confirming the potential of the play; additional Harbour-operated licence secured with the award of Central Andaman
 - **European CCS:** Assessment of our enlarged CO₂ transportation and storage portfolio underway, with a focus on building a competitive business with long-term cash flow potential

Financial highlights

- Estimated revenue to end of September of \$3.1 billion, with realised post-hedging oil, European and non-European gas prices of \$82/bbl, \$9/mscf and \$6/mscf respectively
- Total capital expenditure to end of September of c.\$1.0 billion. Full year 2024 guidance revised to c.\$1.8 billion from c.\$1.7 billion. This reflects phasing of spend between pre- and post-completion of the Wintershall Dea acquisition versus that estimated at the time of completion. Proforma total capital expenditure for 2024 unchanged at c.\$2.7 billion.
- Estimated net debt of \$4.7 billion at 30 September. Year-end net debt expected to be of a similar level, based on an estimated c.\$250 million negative working capital movement and current commodity price outlook
 - Estimated full year 2024 free cash flow of c.\$300 million, excluding shareholder distributions and one-off acquisition-related costs. Equivalent proforma free cash flow estimated at \$1.1 billion
 - 2024 one off acquisition-related costs, including change of control payments for seismic data, totalling c.\$250 million
- Interim dividend of c.\$100 million paid in September, in line with Harbour's prior \$200 million annual dividend policy. As previously guided, annual dividend increased to \$455 million (comprising \$380 million for ordinary shares, \$75 million for non-voting shares) to be paid in two equal instalments, starting with a final dividend for 2024 to be paid in May 2025, subject to shareholder approval
- Successful issuance of €1.6 billion of senior bonds (completed October) enabling repayment and cancellation of the \$1.5 billion bridge facility utilised for the Wintershall Dea portfolio acquisition
- Corporate and senior unsecured issue credit ratings upgraded to investment grade Baa2, BBB- and BBB- from Moody's, S&P and Fitch, respectively

Upcoming events

Harbour's next scheduled market update will be in January 2025 when the Company will issue a Trading & Operations update. In addition, Harbour plans to host a capital markets event in the first half of 2025.

Linda Z Cook, Chief Executive Officer, commented:

"We continued to deliver on our strategy through the completion of the Wintershall Dea acquisition and strong operational and financial performance.

"Our expanded global portfolio is performing well, achieving production rates of over half a million barrels per day in October, generating material cash flow and presenting multiple high return organic investment opportunities. These, together with our strong team, disciplined capital allocation and investment grade credit ratings, mean we are well-positioned for the future."

Enquiries

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Appendix:**Hedging schedule**

	2025		2026		2027	
	Volume	Average Price	Volume	Average Price	Volume	Average Price
	mmboe	\$/mscf	mmboe	\$/mscf	mmboe	\$/mscf
Europe gas	31	13	17	10	2	10
	mmbbl	\$/bbl	mmbbl	\$/bbl	mmbbl	\$/bbl
Oil	16	76	12	73	0	-

Group production

Production to end September includes approximately one month's contribution from the Wintershall Dea portfolio.

	1 Jan 2024 – 30 Sept 2024 (net, kboepd)
UK	142
Norway	10
Germany	3
Argentina	7
Mexico	1
North Africa	4
SE Asia	11
Total Group	177¹

¹ Owing to rounding, the above total does not match the sum of the component parts